

Pre-Existing Condition Insurance Plan Data as of September 30, 2011

The Affordable Care Act created the new Pre-Existing Condition Insurance Plan (PCIP) program to make health insurance available to Americans denied coverage by private insurance companies because of a pre-existing condition. People living with conditions like diabetes, asthma, cancer, and HIV/AIDS have often been priced out of affordable health insurance options, and this has left millions without insurance.

PCIP is a temporary program that covers a broad range of health benefits and is designed as a bridge for people with pre-existing conditions who cannot obtain health insurance coverage in today's private insurance market. A range of professional, inpatient and drug treatments were provided to these individuals.

In 2014, all Americans – regardless of their health status – will have access to affordable coverage either through their employer or through new competitive marketplaces called Exchanges, and insurers will be prohibited from charging more or denying coverage to anyone based on the state of their health.

The PCIP program is administered by either the state or the federal government: 27 states have chosen to run their own programs, while 23 states and the District of Columbia elected to have their PCIP program administered by the federal government.

The PCIP program began accepting applications for enrollment in July 2010. Like private insurance plans, PCIP programs may incur expenses daily, but often do not submit claims for reimbursement until several weeks later. Accordingly, CCIIO will be posting data on a quarterly basis.

It is important to note that the PCIP interim final rule places a limit of 10 percent on administrative costs over the life of the program. As anticipated, as enrollment and claims costs increased, administrative costs have declined as a percentage of total costs. We continue to monitor these costs closely.

The chart below details reported expenditures paid as of September 30, 2011.

State-run PCIP Expenditures by State				
State Name	Enrollment as of September 30, 2011	Claims Paid as of September 30, 2011	Administrative Expenses Paid as of September 30, 2011	Expenditures Net of Premium Revenue as of September 30, 2011¹
Alaska	45	\$2,765,493	\$422,876	\$2,862,613
Arkansas	310	\$2,558,760	\$644,821	\$2,240,238
California	3745	\$44,425,848	\$7,620,218	\$44,010,424
Colorado	964	\$21,657,537	\$1,465,334	\$20,208,404

Connecticut	73	\$1,029,995	\$1,149,370	\$1,923,370
Illinois	1784	\$18,893,827	\$666,660	\$14,886,787
Iowa	200	\$2,724,011	\$776,429	\$2,767,712
Kansas	268	\$6,199,684	\$523,145	\$5,917,985
Maine	31	\$594,510	\$18,222	\$455,599
Maryland	607	\$6,525,430	\$919,053	\$6,424,599
Michigan	527	\$8,312,022	\$1,138,202	\$8,341,150
Missouri	683	\$5,437,024	\$687,886	\$4,443,371
Montana	262	\$5,990,426	\$512,516	\$5,539,682
New Hampshire	233	\$12,031,946	\$586,266	\$11,800,169
New Jersey	702	\$13,297,320	\$530,708	\$11,464,653
New Mexico	645	\$10,051,311	\$659,800	\$9,712,129
New York	2176	\$20,999,850	\$5,442,210	\$20,785,594
North Carolina	2341	\$8,679,076	\$2,012,318	\$5,902,144
Ohio	1771	\$19,974,469	\$1,098,060	\$15,175,346
Oklahoma	471	\$5,341,164	\$670,846	\$4,883,246
Oregon²	1102	\$17,234,889	\$535,353	\$13,386,912
Pennsylvania³	4101	\$26,613,058	\$1,908,258	\$9,563,163
Rhode Island	134	\$1,808,429	\$800,405	\$1,952,021
South Dakota	133	\$3,400,968	\$197,469	\$3,187,250
Utah	568	\$7,661,909	\$322,471	\$6,670,274
Washington	586	\$12,486,460	\$1,204,971	\$11,538,155
Wisconsin	822	\$3,601,343	\$1,386,017	\$2,669,973
TOTALS	25,284	\$290,296,759	\$33,499,316	\$248,313,135

Federally-run PCIP Expenditures by State				
State name	Enrollment as of September 30, 2011	Claims Paid as of September 30, 2011	Administrative Expenses Paid as of September 30, 2011 ⁴	Expenditures Net of Premium Revenue as of September 30, 2011 ⁵
Alabama	230	\$1,947,677	N/A	N/A
Arizona	1178	\$8,563,227	N/A	N/A
Delaware	107	\$586,487	N/A	N/A
District of Columbia	37	\$333,603	N/A	N/A
Florida	2381	\$27,908,524	N/A	N/A
Georgia	1177	\$14,050,139	N/A	N/A
Hawaii	63	\$1,089,312	N/A	N/A
Idaho	145	\$2,830,505	N/A	N/A
Indiana	471	\$4,581,097	N/A	N/A
Kentucky	264	\$2,484,794	N/A	N/A
Louisiana	267	\$2,541,093	N/A	N/A
Massachusetts ⁶	1	\$3,979	N/A	N/A
Minnesota	137	\$1,788,185	N/A	N/A
Mississippi	137	\$3,014,490	N/A	N/A
Nebraska	117	\$3,584,231	N/A	N/A
Nevada	386	\$3,962,550	N/A	N/A
North Dakota	23	\$504,339	N/A	N/A
South Carolina	743	\$8,480,080	N/A	N/A
Tennessee	655	\$6,357,395	N/A	N/A
Texas	2967	\$53,365,075	N/A	N/A
Vermont	0	\$0	N/A	N/A

Virginia	693	\$5,726,659	N/A	N/A
West Virginia	48	\$467,801	N/A	N/A
Wyoming	113	\$1,376,402	N/A	N/A
TOTALS	12,340	\$155,547,643	\$8,557,108⁷	\$137,972,142

¹ PCIP members pay premiums. This premium revenue pays for some of the cost of the PCIP program. However, as a high risk pool, PCIP members incur expenses that exceed premiums paid. The \$5 billion for the PCIP program covers the expenses in excess of premiums paid. The “expenditures net of premium revenue” equal the total expenses, claims and administrative, minus the total premium revenue.

² Oregon PCIP expenditure data are reported as of August 31, 2011; data as of September 30, 2011 were not available at the time of this posting.

³ Expenditures net of premium revenue appear to have decreased in the Pennsylvania PCIP. However, this is attributable to a reporting error that affected prior reports.

⁴ Administrative expenses and expenditures net of premium revenue were not available for the federally-run states.

⁵ Administrative expenses and expenditures net of premium revenue were not available for the federally-run states.

⁶ Massachusetts and Vermont are guarantee issue states that have already implemented many of the broader market reforms included in the Affordable Care Act that take effect in 2014. Existing commercial plans offering guaranteed coverage at premiums comparable to PCIP are already available in both states.

⁷ Figure doesn’t reflect CCIIO administrative costs